

CONTRACT

This contract is entered into this 29th day of May, 2008 by and between the State of Kansas (State) and ^{ARAMARK} ~~Aramark~~ Correctional Services, ~~2300 Warrenville Road, Downers Grove, IL 60515~~ (Contractor).

LLC, ARAMARK Tower, 1101 Market Street, Philadelphia, PA 19107 ^{DK} ^{REV}

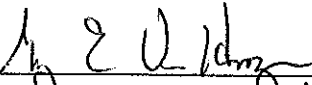
The parties agree as follows:

1. Subject to the terms and conditions of this contract, State hereby accepts the offer of Contractor as expressed by Contractor's bid submitted to the Division of Purchases on March 24, 2008, in response to Request for Quotation Number 11001.
2. It is understood and agreed by the parties that pursuant to the bid, Contractor agrees to furnish Food Services for Kansas Juvenile Correctional Complex for the period from July 1, 2008 to June 30, 2009 on order of the Agency(s) at the price or prices contained in the bid. Agency(s) agrees to pay on delivery of the item(s) the amount(s) billed by Contractor in accordance with the bid as shown on delivery invoice(s) of the Contractor to the Agency(s). Payment will be made as soon after receipt of the invoice(s) as possible in accordance with state law.
3. Failure of Contractor to furnish the item(s) in accordance with the bid specifications incorporated into this contract by reference, or failure of Contractor to deliver the item(s) in accordance with any time schedules prescribed in this contract or any documents incorporated by reference into this contract shall result in forfeiture of any performance bond of Contractor and/or in termination of this contract at the option of State.
4. It is understood and agreed that the provisions set out in the State of Kansas, Division of Purchases bid document for this contract are incorporated and made a part of this contract by reference as though fully set forth herein. Contractor agrees and understands that these documents are controlling over Contractor's bid, invoice, agency order forms or any other documents of the Contractor.
5. The provisions found in Contractual Provisions Attachment (DA-146a), shown on the reverse side of this Contract, is incorporated and made a part of this contract by reference.
6. In the event of any disputes regarding the terms and conditions of this Contract or payments alleged to be due and owing, Contractor's sole remedy shall be with the Agency that placed the order.

Contractor: ^{DK} ^{REV} ~~Aramark~~ ^{ARAMARK} Correctional Services LLC

Agency: Kansas Juvenile Correctional Complex

By: 

By: 

Printed Name: David Kimmel

Printed Name: George E. Van Hoozer

Title: Vice President- Finance

Title: BUSINESS ADMINISTRATOR

I hereby certify that the competitive bid/procurement laws of the State of Kansas have been followed.

State of Kansas

By: 

CHRIS HOWE
DIRECTOR OF PURCHASES

**CERTIFICATION REGARDING
IMMIGRATION REFORM & CONTROL**

All Contractors are expected to comply with the Immigration and Reform Control Act of 1986 (IRCA), as may be amended from time to time. This Act, with certain limitations, requires the verification of the employment status of all individuals who were hired on or after November 6, 1986, by the Contractor as well as any subcontractor or sub-subcontractor. The usual method of verification is through the Employment Verification (I-9) Form. With the submission of this bid, the Contractor hereby certifies without exception that Contractor has complied with all federal and state laws relating to immigration and reform. Any misrepresentation in this regard or any employment of persons not authorized to work in the United States constitutes a material breach and, at the State's option, may subject the contract to termination and any applicable damages.

Contractor certifies that, should it be awarded a contract by the State, Contractor will comply with all applicable federal and state laws, standards, orders and regulations affecting a person's participation and eligibility in any program or activity undertaken by the Contractor pursuant to this contract. Contractor further certifies that it will remain in compliance throughout the term of the contract.

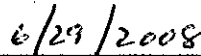
At the State's request, Contractor is expected to produce to the State any documentation or other such evidence to verify Contractor's compliance with any provision, duty, certification, or the like under the contract.

Contractor agrees to include this Certification in contracts between itself and any subcontractors in connection with the services performed under this contract.



Signature, Title of Contractor

David Kimmel
Vice President, Finance



date

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 1-01), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the ____ day of _____, 20____.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated.
2. **Agreement With Kansas Law:** All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
4. **Disclaimer Of Liability:** Neither the State of Kansas nor any agency thereof shall hold harmless or indemnify any contractor beyond that liability incurred under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Parties to this contract understand that the provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting state agency cumulatively total \$5,000 or less during the fiscal year of such agency.
6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation shall be allowed to find the State or any agency thereof has agreed to binding arbitration, or the payment of damages or penalties upon the occurrence of a contingency. Further, the State of Kansas shall not agree to pay attorney fees and late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect which attempts to exclude, modify, disclaim or otherwise attempt to limit implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The State of Kansas shall not be required to purchase, any insurance against loss or damage to any personal property to which this contract relates, nor shall this contract require the State to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the vendor or lessor shall bear the risk of any loss or damage to any personal property in which vendor or lessor holds title.
11. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."

Amendment to Contract No. 11001

THIS AMENDMENT, entered into this the _____ day of July, 2008, by and between the Kansas Juvenile Correctional Complex ("KJCC") and ARAMARK Correctional Services, LLC, with offices at ARAMARK Tower, 1101 Market Street, Philadelphia, PA 19107, ("ARAMARK").

WITNESSETH:

WHEREAS, the parties did, on May 29th, 2008, enter into contract No. 11001 for the management of the food service operation at the Kansas Juvenile Correctional Complex; and,

WHEREAS, the parties desire to amend said Agreement as hereinafter set forth effective July 1, 2008.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promise in said Agreement and all Amendments thereto, it is mutually agreed as follows:

1. The Agreement To Manage A School Food Service Program, attached, is incorporated and made a part of this contract by reference.

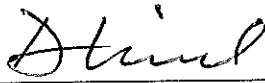
Except as hereinabove provided, said Contract, dated May 29, 2008, is hereby in all other respects ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their duly authorized representative the day and year first written above.

ARAMARK Correctional Service, ~~Inc.~~
LLC

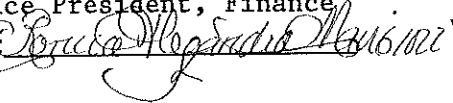
Kansas Juvenile Correctional Complex

By: _____

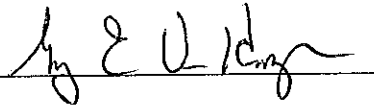


David Kimmel
Vice President, Finance

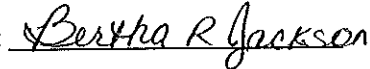
Witness: _____



By: _____



Witness: _____



**Agreement to Manage a
School Food Service Program**

S0352

***Kansas Juvenile Correctional Complex
ARAMARK Correctional Services, LLC***

May 29, 2008
(Date Issued)

Agreement to Manage a School Food Service Program

THIS AGREEMENT, made this 29th day of May by and between Kansas Juvenile Correctional Complex hereinafter referred to as the SPONSOR and ARAMARK Correctional Services, LLC hereinafter referred to as the CONTRACTOR.

WHEREAS, the CONTRACTOR submitted a proposal dated March 20, 2008, to the SPONSOR to provide food service management to the SPONSOR and has been awarded a contract by the SPONSOR, contingent upon the execution of an agreement that is acceptable to both parties.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter expressed, it is mutually covenanted and agreed by and between the parties hereto as follows:

I. Scope and Purpose

- A. This agreement is subject to review and approval by Nutrition Services, Kansas State Department of Education, hereinafter referred to as KSDE.
- B. The SPONSOR's Request for Proposal (RFP), including all of its exhibits, the CONTRACTOR's Proposal, and the Agreement Cover Sheet are hereby in all respects made a part of this agreement. In the event of a conflict between the Request for Proposal, the Proposal and this agreement, the terms of this agreement shall prevail.
- C. This agreement sets forth the terms and conditions upon which the SPONSOR retains the CONTRACTOR to manage and operate the SPONSOR's food service program.
- D. "Food service program" refers to the operation of the National School Lunch Program and/or the School Breakfast Program, and/or the Special Milk Program, and/or the After School Snack Program, as well as other auxiliary businesses described in the RFP, Section 4.2., Para. II.
- E. The CONTRACTOR shall have the exclusive right to operate the SPONSOR's food service program for the sole benefit of the SPONSOR, students, faculty, staff, invited guests and other persons designated by the SPONSOR, and not as a source of profit to the CONTRACTOR, other than from the Management Fee that it receives under this agreement.
- F. This agreement constitutes the entire agreement between the SPONSOR and the CONTRACTOR and may not be changed, terminated or extended orally or by course of conduct, except as expressly agreed to in writing by the parties and with the approval of KSDE.
- G. This agreement may not be assigned by either party in whole or in part without the written consent of the other party.

Agreement to Manage a School Food Service Program

I. Scope and Purpose, continued

- H. This agreement shall be construed under the laws of the State of Kansas. Any action or proceeding arising out of this agreement shall be brought in the appropriate courts of the State of Kansas.
- I. This agreement may be executed in several counterparts, each of which shall be deemed an original.
- J. A waiver of any failure under this agreement shall neither be construed as nor constitute a waiver of any subsequent failure. This agreement supersedes all prior negotiations, representations or agreements, if any. The section headings are used solely for convenience and shall not be deemed to limit the subject of the sections and paragraphs or be considered in their interpretation.
- K. If any provision is unenforceable or invalid for any reason, the remainder of this agreement shall continue in effect.
- L. Payments of any expense or fee shall not preclude the SPONSOR from making a claim for adjustment on any item that is found not to have been in accordance with the provisions of this agreement and proposal specifications.
- M. Any notice or communication required or permitted under this agreement shall be in writing and shall be served personally or sent by United States registered or certified mail, postage prepaid with return receipt requested, addressed to the other party as follows:

To SPONSOR:
Kansas Juvenile Correctional Complex
Attn: George VanHoozer
1430 NW 25th Street
Topeka Kansas 66618-1499

To CONTRACTOR:
ARAMARK Correctional Services, LLC
Attn: Larry Bearden
2300 Warrenville road
Downers Grove, IL 60515

with copy to:
Division of Purchases
Attn: Connie Schuessler
900 SW Jackson, Rm 102N
Topeka, KS 66611

and/or to such other persons or places as either of the parties may hereafter designate in writing. All such notices shall be deemed effective when received, but no later than forty-eight (48) hours after the same are deposited in the United States mail.

II. Food Service Operations

A. Menus and Food Items

1. The CONTRACTOR shall sell on the SPONSOR's premises only those foods and beverages authorized by the SPONSOR and only at the times and places designated by the SPONSOR.
2. The CONTRACTOR shall not distribute "foods of minimal nutritional value" in competition with reimbursable meals pursuant to State and Federal laws and regulations.
3. The CONTRACTOR shall provide condiments.
4. The CONTRACTOR may use fillers or extenders, such as "alternate protein products," in foods served upon approval of the SPONSOR and as regulated by the U.S. Department of Agriculture (USDA).
5. If the SPONSOR participates in the Special Milk Program, the CONTRACTOR shall serve milk that meets requirements for reimbursement.

B. Meal Pricing and Adult Meals

1. The SPONSOR's and the CONTRACTOR's employees may purchase meals/milk/snacks at the option and direction of the SPONSOR at prices approved by the SPONSOR.
2. The CONTRACTOR shall not count meals/milk/snacks served to adults for reimbursement under the National School Lunch Program, and/or the School Breakfast Program, and/or Special Milk Program, and/or After School Care Snack Program.

Locations and Facilities

1. The CONTRACTOR shall comply with all of the SPONSOR's building rules and regulations.
2. The CONTRACTOR shall provide specified types of service in the locations listed in the RFP, Section 4.2., Sponsor Profile. The CONTRACTOR and the SPONSOR may agree to add or delete locations.
3. The CONTRACTOR shall be entitled to use the SPONSOR's facilities for the preparation and service of food at the sites listed in the RFP, Section 4.2., Sponsor Profile.
4. The SPONSOR shall furnish at its expense, space, light, heat, power, hot and cold water, and other utilities as are necessary for the operation of the food service program and which are specified in the RFP, Exhibit G, Division of Costs for the Food Service Program.

II. Food Service Operations, continued

5. The SPONSOR shall provide the CONTRACTOR with local telephone service with responsibility for those costs described in the RFP, Exhibit G, Division of Costs for the Food Service Program.
6. The SPONSOR shall notify the CONTRACTOR of any interruption in utilities of which it has knowledge.
7. The SPONSOR shall make available without charge to the CONTRACTOR an area or areas agreeable to both parties in which the CONTRACTOR shall render its services; such area or areas shall be reasonably suited for providing efficient food service.
8. The SPONSOR shall provide, without charge to the CONTRACTOR, office space for use by the CONTRACTOR in the performance of this agreement. The CONTRACTOR shall take reasonable and proper care of the office space and shall return it to the SPONSOR at the termination of the agreement in good condition, ordinary wear and tear excepted.
9. The SPONSOR may request that the CONTRACTOR provide additional food service programs. However, the SPONSOR reserves the right, at its sole discretion, to sell or dispense any food or beverage before or after the SPONSOR's regularly scheduled lunch or breakfast periods provided such use does not interfere with the operation of the school lunch and/or breakfast and/or special milk and/or after school care snack programs, and is in compliance with State and Federal laws and regulations regarding non-nutritious foods or foods sold in competition with reimbursable meals/snacks.
10. If the SPONSOR uses the facilities for extracurricular activities before or after the SPONSOR's regularly scheduled lunch or breakfast period, the SPONSOR shall return facilities and equipment to the CONTRACTOR in the same condition as received, normal wear and tear excepted.
11. The SPONSOR shall be responsible for painting within the kitchen and dining areas.

E. Inventory, Equipment and Storage

1. Prior to commencement of operations, CONTRACTOR and CONTRACTOR'S predecessor shall jointly take the opening inventory of small wares, such as trays, scoops, ladles, and other kitchen serving utensils, and other food service supplies, a copy of which shall become part of this Contract and shall be attached as Contract Attachment A. The SPONSOR shall maintain ownership of small wares, food service supplies, and equipment at all times, unless otherwise specifically agreed in writing.
 2. CONTRACTOR shall be responsible to maintain an adequate level of small wares and other food service supplies during the term of the Contract.
 3. The CONTRACTOR shall use appropriate storage practices and maintain food and nonfood inventories.
 4. The CONTRACTOR shall provide locks for storage and office areas under its direct supervision. At least one set of keys to those locks shall be provided to the SPONSOR.

II. Food Service Operations, continued

5. The SPONSOR shall replace expendable equipment and replace, repair and maintain inventoried equipment except when damages result from the negligence of the employees of the CONTRACTOR, in which event the CONTRACTOR shall repair or replace the equipment.
6. The SPONSOR shall furnish and install any equipment or make any structural changes needed to comply with Federal, State and local laws, ordinances, rules, and regulations regarding the food service program.
7. All food preparation and serving equipment owned by the SPONSOR shall remain on the premises of the SPONSOR.
8. The SPONSOR shall not be responsible for loss or damage to equipment owned by the CONTRACTOR and located on the SPONSOR's premises unless such damage is caused by negligence of the SPONSOR's employee(s).
9. The CONTRACTOR shall notify the SPONSOR of any equipment belonging to the CONTRACTOR on the SPONSOR's premises within ten (10) days of its placement on the SPONSOR's premises or if present at the start of this contract, and such equipment of the CONTRACTOR shall be properly tagged.
10. The SPONSOR shall pay for oil and gas used by its owned, hired, or other vehicles under its supervision that are used for delivering food or nonfood commodities.
11. The CONTRACTOR shall provide its own drivers for owned, hired, or other vehicles under its supervision that are used for delivering food or nonfood commodities.

F. Sanitation

1. The CONTRACTOR shall ensure that food service workers place garbage and trash in appropriate bags and place in designated areas daily.
2. The SPONSOR shall remove all garbage and trash from designated areas daily.
3. The CONTRACTOR shall ensure that food service workers clean daily (or arrange for cleaning) the kitchen area, including but not limited to sinks, counters, grease traps, stoves, tables, chairs, silverware, and utensils.
4. The CONTRACTOR shall ensure that food service workers operate and maintain all equipment in a clean, safe, and healthy condition in accordance with standards acceptable to the SPONSOR and comply with all applicable laws, ordinances, regulations and rules of federal, state, and local authorities. The CONTRACTOR shall arrange for periodic safety inspections of equipment.
5. The SPONSOR shall be responsible for cleaning of ducts and hoods above the filter line and will provide extermination services as needed.
6. The CONTRACTOR shall comply with the laws, ordinances, rules and regulations of all applicable Federal, State, county and city governments, bureaus and departments concerning the sanitation, safety and health of the food service operations, and the implementing regulations of the USDA issued thereunder and any additions or amendments thereto.

II. Food Service Operations, continued

7. The CONTRACTOR shall implement a food safety program using the Hazard Analysis Critical Control Point (HACCP) system. Each preparation kitchen and serving facility shall have a current HACCP Plan that complies with the requirements of the Kansas State Department of Education and the Kansas Department of Health and Environment. The plan shall include standard operating procedures, process identification, control measures, regular monitoring, corrective actions and record keeping.

G. Employees

1. The CONTRACTOR shall be an independent contractor and not an employee of the SPONSOR. Employees of the CONTRACTOR shall not be considered to be employees of the SPONSOR.
2. The CONTRACTOR shall comply with all Federal and State laws regarding wages and hours of employment.
3. The CONTRACTOR shall provide Worker's Compensation and unemployment insurance for its employees.
4. The CONTRACTOR shall instruct its employees to abide by the policies, rules and regulations with respect to use of SPONSOR premises as established by the SPONSOR and furnished in writing to the CONTRACTOR.
5. The CONTRACTOR shall maintain its own personnel policies and fringe benefits for its employees subject to review by the SPONSOR.
6. The CONTRACTOR shall provide the SPONSOR with a list of its personnel policies.
7. Staffing patterns shall be mutually agreed upon and be limited to that which is necessary for efficient operation.
8. The CONTRACTOR shall manage the SPONSOR's employees in accordance with the SPONSOR's personnel policies.
9. The CONTRACTOR shall provide the SPONSOR two full calendar weeks prior to the commencement of operation with a schedule of employees, positions, assigned locations, salaries and hours to be worked. The SPONSOR shall approve the staffing plan prior to commencement of operations and prior to any changes made during the term of the contract.
10. The SPONSOR shall provide sanitary toilet facilities for the employees of the CONTRACTOR.
11. In recognition of the sensitive nature of Juvenile Correctional Facilities, CONTRACTOR agrees that in the event that the SPONSOR, in its discretion, is dissatisfied with any of the personnel provided under this Contract, the SPONSOR may deny access of such personnel. The SPONSOR shall give written notice to CONTRACTOR of such fact and the reasons therefore, and the CONTRACTOR shall remove the individual in question from the services covered herein and cover with other appropriate personnel until an approved replacement is found. Decisions regarding the employment status of such personnel elsewhere in the CONTRACTOR'S organization shall be at the CONTRACTOR'S discretion.

II. Food Service Operations, continued

12. In the event of the removal or suspension of any such employee, the CONTRACTOR shall restructure its staff without significant disruption in service.
13. All CONTRACTOR and SPONSOR personnel assigned to each school shall be instructed on the use of all emergency valves, switches, and fire and safety devices in the food preparation, serving and dining areas.
14. The CONTRACTOR shall cause all employees working in the food service program to comply with the SPONSOR's policies dealing with drug-free workplace and the use of tobacco products.
15. The SPONSOR has a policy of providing work experience for its students. In furtherance of this policy, the SPONSOR may assign students for work in the SPONSOR's food service program in such numbers as are mutually agreed between the SPONSOR and the CONTRACTOR. The CONTRACTOR shall supervise such students while such students are working in the SPONSOR's food service program. The CONTRACTOR shall provide and enforce reasonable rules and regulations to ensure the safety of all student workers.

H. Other Provisions

1. The SPONSOR's written policy requiring feeding of eligible children free or at a reduced price shall apply to the CONTRACTOR's food service operation and hereby in all respects be made a part of this agreement.
2. The CONTRACTOR shall promote nutrition/health education as required by the local county, State, or Federal governments and as approved by the SPONSOR's. The SPONSOR shall inform the CONTRACTOR of any such requirements

III. Sponsor Rights and Responsibilities,

- A. The SPONSOR shall be legally responsible for the conduct of the food service program.
- B. The SPONSOR's authorized representatives shall have access to the food service facilities at all times.
- C. The SPONSOR may make reasonable regulations with respect to the operation of the food service program.
- D. The SPONSOR shall supervise and monitor the food service program in such manner as will ensure compliance with all applicable rules and regulations of KSDE and the United States Department of Agriculture (USDA).
- E. The SPONSOR shall be responsible for ensuring resolution of program review and audit findings.
- F. The SPONSOR shall be solely responsible for implementation of its free and reduced price meal policy including development, distribution, approval and maintenance of free and reduced price applications; direct certification and verification activities. These responsibilities shall not be delegated to the CONTRACTOR to any degree.

III. Sponsor Rights and Responsibilities, continued

- G. The SPONSOR shall make appropriate and adequate arrangements for funds to defray the necessary costs of the service of free or reduced price meals to eligible children. Nothing in this paragraph precludes or nullifies the "Fee Structure and Financial Management" section of this agreement.
- H. The SPONSOR shall be responsible for all contractual agreements entered into in connection with the school nutrition program (for example, vending meals to other Child Nutrition Program sponsors).

IV. Financial Management

A. General

- 1. The SPONSOR shall retain control of the school food service account and overall financial responsibility for the food service program.
- 2. All income accruing to the SPONSOR from the food service program shall remain in the program.
- 3. The CONTRACTOR shall coordinate the sale of all meals and the necessary collection procedures and ensure that all revenues are delivered to the SPONSOR who shall deposit all revenues in the appropriate school food service account(s).
- 4. If reimbursement from KSDE is denied as a direct result of the CONTRACTOR's failure to comply with the provisions of this agreement, the CONTRACTOR shall reimburse the SPONSOR for the amount to which it would otherwise have been entitled.

B. Payment

- 1. The CONTRACTOR shall bill the SPONSOR at the close of each period of program operation.
- 2. The SPONSOR shall make payment to the CONTRACTOR within 30 days after the submission of a valid bill for each period of program operation. Normal credit terms will be thirty (30) days from billing date.
- 3. The CONTRACTOR shall be entitled to a Management Fee as described in the RFP, Section 4.7, Fee Structure. The amount of the Management Fee per meal or meal equivalent is specified in the RFP, Exhibit N, Food Service Management Company Fee Proposal and is *as per letter with revised offer dated April 28, 2008*.

IV. Financial Management, continued

C. Accounting and Recordkeeping

1. The CONTRACTOR's financial accounting shall be in accordance with KSDE rules and regulations, applicable state laws, and Generally Accepted Accounting Principles (GAAP).
2. The CONTRACTOR shall maintain such records (supported by invoices, receipts, or other evidence) that the SPONSOR will need to meet periodic reporting responsibilities and shall submit periodic operating statements in a format approved by the SPONSOR no later than the tenth calendar day succeeding the month in which services were rendered; participation records of reimbursable meals/milk shall be submitted no later than the fifth working day succeeding the month in which services were rendered.
3. The CONTRACTOR must retain records to support the SPONSOR's claim for reimbursement of the daily number of meal served, by type. The CONTRACTOR must daily report these meal counts to the SPONSOR.
4. The CONTRACTOR shall maintain records to support all allowable expenses appearing on the periodic operating statement. These records shall be kept in an orderly fashion according to expense categories as approved by the SPONSOR. Further, copies of all invoices in support of periodic statements will be provided monthly by the CONTRACTOR to the SPONSOR. A detailed expenditure report (in a format mutually agreed to by the parties) will be provided by the CONTRACTOR in addition to summary category reports on a monthly basis.
5. The CONTRACTOR shall provide the SPONSOR with a year-end statement of income and expenses for the entire food service program including the auxiliary businesses described in the RFP, Section 4.2, Sponsor Profile.
6. Such records shall be available, for a period of five (5) years from the date of final payment under the contract, for inspection and audit by representatives of KSDE, USDA and the United States General Accounting Office at any reasonable time and place; except that, if audit findings have not been resolved, the records shall be retained beyond the five (5) year period as long as required for the resolution of the issues raised by the audit.

D. Audits and Reviews

1. The SPONSOR's designee shall review all administrative and financially related operations of the CONTRACTOR. The CONTRACTOR's reimbursement for eligible direct costs of operation, as specified in the RFP, Exhibit G, Division of Costs for the Food Service Program, and Management Fee will be paid only as approved by the SPONSOR's designee as being consistent with the terms of this agreement.
2. The SPONSOR will audit food, labor, and other large expense items quarterly and perform random audits on smaller expense categories. The CONTRACTOR will submit any large (amounts greater than \$500) or unusual expense items including, but not limited to travel or personal expenses for advance approval prior to expenditure or commitment. Any relocation costs for which the SPONSOR will be responsible must be approved in advance by the SPONSOR.

IV. Financial Management, continued

3. The SPONSOR shall audit the CONTRACTOR's operations as part of its year-end audit. The SPONSOR may also conduct special audits as it deems appropriate. The CONTRACTOR shall immediately notify the SPONSOR of any audit, inquiry or legal investigation of its records by a local, State, or Federal authority that is in any way related to the SPONSOR.
4. The SPONSOR, KSDE, USDA or Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this agreement, for the purpose of making audit, examination, excerpts and transcriptions.

V. Signatures

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first written above.

SPONSOR:



Authorized Signature

George E. Van Hoozel, Business Administrator


Name

Title

8-6-08

Date

CONTRACTOR:



Authorized Signature

David Kimmel, Vice President-Finance

Name

Title

7/30/08

Date